

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

CONVOLVE, INC.

vs.

DELL, INC., ET AL

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CASE NO. 2:08-CV-244-CE

ORDER

Pending before the court is plaintiff Convolv, Inc.'s ("Convolv" or "Plaintiff") motion to exclude the portions of the expert report and testimony of Mr. W. Christopher Bakewell that rely on the White licenses (Dkt. No. 327).

On May 9, 2011, Mr. Bakewell submitted his expert rebuttal report on behalf of defendant Dell. In his report, Mr. Bakewell relies on an October 2000 agreement between Dr. James White and IBM, and a July 2003 agreement between Dr. James White and Western Digital (collectively the "White licenses") to support his opinions that the hard disk drive industry prefers lump-sum royalties. Having carefully considered the parties' arguments, the court concludes that, in his analysis of the White licenses, Mr. Bakewell gave adequate consideration to the comparability of the commercial circumstances and the technology at issue, particularly in light of the fact that Mr. Bakewell's use of the White licenses is limited to showing the existence of an industry preference for a lump-sum royalty – i.e., he made no attempt to incorporate the royalty rates underlying the White licenses into his opinion. As such, Convolv's motion is DENIED.

The court, however, notes that if Mr. Bakewell attempts to incorporate the royalty rates underlying the White licenses into his testimony in front of the jury, Dell must first establish the

comparability of licenses. It is not sufficient to state that both the '473 Patent and the patents underlying the White licenses cover hard disk drive technology. Rather, Dell must establish the functionality enabled by the '473 Patent, as well as the functionality purportedly covered by the licensed patent, and compare their economic importance.

SIGNED this 7th day of July, 2011.


CHARLES EVERINGHAM IV
UNITED STATES MAGISTRATE JUDGE